Cut in PLR by SBI

3168. SHRIMATI VANG A GEETHA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the State Bank of India is cutting the PLR;

(b) if so, the details thereof; and

(c) the details of the benefitsiosses to the bank as well as its customers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Madam. The State Bank of India has reduced its PLR (State Bank Advance Rate-SBAR) with effect from the 1st April 2002.

(b) The details of the changes are as under:

i. The Prime Lending Rate (State Bank Advance Rate-SBAR) was revised and reduced by 50 basis points from 11.50% per annum to 11.00% per annum.

ii. The Medium Term Lending Rate (State Bank Medium Term Lending Rate-SBMTLR) was revised and reduced by 50 basis points from 12.00% per annum to 11.50% per annum.

iii. The short-term prime lending rate (State Bank Short Term Advance Rate-SBSTAR) for maturities up to 180 days was withdrawn.

iv. The short-term prime-lending rate (State Bank Short Term Advance Rate-SBSTAR) for maturities less than 1 year fixed at 10.50% per annum.

(c) As a result of the changes in PLRs the borrower customers would be benefit by way of reduced interest cost. The augmentation of credit off take due to reduced PLR would benefit the Bank.